

_____ BILL NO. _____

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE RETIREMENT BENEFIT FORMULA FOR MEMBERS OF THE HIGHWAY PATROL OFFICERS' RETIREMENT SYSTEM; INCREASING EMPLOYEE CONTRIBUTIONS TO FUND THE INCREASE; AND AMENDING SECTIONS 19-6-402 AND 19-6-502, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 19-6-402, MCA, is amended to read:

"19-6-402. Member's contribution. (1) (a) A member not covered under 19-6-710 shall contribute into the pension trust fund ~~9%~~ 13.16% of the member's monthly compensation.

(b) A member covered under 19-6-710 shall contribute to the pension trust fund ~~9.05%~~ 13.21% of the member's monthly compensation.

(2) Each employer, pursuant to section 414(h)(2) of the federal Internal Revenue Code of 1954, as amended and applicable on July 1, 1985, shall pick up and pay the contributions that would be payable by the member under subsection (1) for service rendered after June 30, 1985.

(3) The member's contributions picked up by the employer must be designated for all purposes of the retirement system as the member's contributions, except for the determination of a tax upon a distribution from the retirement system. These contributions must become part of the member's accumulated contributions but must be accounted for separately from those previously accumulated.

(4) The member's contributions picked up by the employer must be payable from the same source as is used to pay compensation to the member and must be included in the member's wages, as defined in 19-1-102, and compensation as used to define the member's highest average compensation in 19-6-101. The employer shall deduct from the member's compensation an amount equal to the amount of the member's contributions picked up by the employer and remit the total of the contributions to the board."

Section 2. Section 19-6-502, MCA, is amended to read:

"19-6-502. Service retirement benefit. Upon retirement from service, a member must receive a service retirement benefit equal to ~~2.5%~~ 2.75% of the member's highest average compensation for each year of service

1 credit."

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